WHAT IS CLAIMED IS:

1. A method for decoding a video bitstream at a first resolution, comprising the steps of:

producing residual error frames at a second lower resolution;
producing motion compensated frames at the second lower
resolution;

combining the residual error frames with the motion compensated frames to produce video frames; and up-scaling the video frames to the first resolution.

- 2. The method of claim 1, wherein the producing residual error frames includes performing an 8X8 inverse discrete transform to produce pixel values.
- 3. The method of claim 2, wherein the pixel values are sampled at a predetermined rate.
- 4. The method of claim 1, wherein the producing residual error frames includes performing a 4X4 inverse discrete transform.
- 5. The method of claim 1, wherein the producing motion compensated frames includes scaling down motion vectors by a predetermined factor to produce scaled motion vectors.
- 6. The method of claim 5, wherein motion compensation is performed based on the scaled motion vectors.
 - 7. The method of claim 1, wherein the up-scaling is performed

\\SERVERO\SYS2\WPDOCS\GR\us010341-spec.doc
by a technique selected from a group consisting of repeating pixel
values and linear interpolation.

- 8. The method of claim 1, wherein the up-scaling is performed in a horizontal direction.
- 9. The method of claim 1, wherein the up-scaling is performed in a same direction as down scaling in the residual error frames.
- 10. A memory medium including code for decoding a video bitstream at a first resolution, the code comprising:
- a code for producing residual error frames at a second lower resolution;
- a code for producing motion compensated frames at the second lower resolution;
- a code for combining the residual error frames with the motion compensated frames to produce video frames; and
- a code for up-scaling the video frames to the first resolution.

\\SERVERO\\SYS2\\wppocs\\GR\\uso10341-spec.doc 11. An apparatus for decoding a video bitstream at a first resolution, comprising:

means for producing residual error frames at a second lower
resolution;

means for producing motion compensated frames at the second lower resolution;

means for combining the residual error frames with the motion compensated frames to produce video frames; and

means for up-scaling the video frames to the first resolution.

12. An apparatus for decoding a video bitstream at a first resolution, comprising:

a first path producing residual error frames at a second lower resolution;

a second path producing motion compensated frames at the second lower resolution;

an adder combining the residual error frames with the motion compensated frames to produce video frames; and

an up-scaler increasing the video frames from the second resolution to the first resolution.